

**REMARKS**

1. Claims 1-20 are pending in the application. Of these claims, claims 1-4, 6, 9-12 and 17-19 stand rejected and claims 5, 7, 8, 13-16 and 20 stand objected to. This communication amends claims 1, 11 and 17.

Reconsideration of this application is respectfully requested.

2. It is noted that claims 5, 7, 8, 13-16 and 20 contain allowable subject matter.

3. Claims 1, 9, 10-11 and 17 remain rejected under 35 USC 102(e) as being anticipated by U.S. Patent 6,680,976 to Chen. In support of this rejection, the examiner specifically relies on column 19, lines 40-63 of Chen and Figure 17 of Chen. The examiner contends that Figure 17 of Chen illustrates "decomposing coefficients one transform block at a time. The examiner further contends that "[s]ince Chen decomposes coefficients for individual blocks, Chen processes blocks, not the entire image."

The examiner apparently misunderstands the claimed invention. To further clarify the claimed invention, the independent claims 1, 11 and 17 have been amended as follows. Claims 1 and 17 have each been amended to recite:

- (a) repeating, for each individual transform block in an image frame, the steps of:
  - (i) decomposing residual coefficients in at least two bit planes or discrete quantization steps for a selected one of the transform blocks before decomposing residual coefficients for a next selected one of the transform blocks in the image frame; and
  - (ii) processing the at least two bit-planes or discrete quantization steps for the selected one of the transform blocks before decomposing the residual coefficients for the next selected one of the transform blocks in the image frame.

Claim 11 has been amended to recite:

means for decomposing residual coefficients in at least two bit planes or discrete quantization steps for a selected transform block of an image frame before decomposing residual coefficients for a next selected transform block of the image frame;

scanning and coding means for processing the at least two bit-planes or discrete quantization steps for the selected transform block before decomposing the residual coefficients for the next selected transform block in the image frame.

The subject matter recited in currently amended claims 1, 11 and 17 is not disclosed anywhere in Chen, including column 19, lines 40-63. Instead, Chen appears to disclose decomposing coefficients for all the blocks of an entire bit-plane before decomposing any of the blocks of a next bit-plane. In addition, Figure 17 of Chen merely shows a coded P block, not the subject matter of claims 1, 11 and 17, as currently amended.

Since Chen does not expressly or inherently describe the subject matter recited in currently amended claims 1, 11 and 17, Chen does not anticipate same. Claims 9 and 10 depend from claim 1, and therefore, are not anticipated by Chen for at least the same reasons set forth with respect to claim 1. Accordingly, withdrawal of this rejection is respectfully requested.

4. Claims 2, 3 and 18-19 remain rejected under 35 USC 103(a) as being unpatentable over Chen.

Claims 2 and 3 also depend from claim 1 and therefore include the subject matter currently recited in claim 1. Claims 18 and 19 depend from claim 17 and therefore include all the subject matter currently recited in claim 17. As discussed above, the subject matter recited in currently amended claims 1 and 17 is not expressly or inherently described by Chen. Thus, even if Chen could be modified as proposed in the Office Action, Chen would still not arrive at the subject matter of claims 2-3 and 18-19. Accordingly, withdrawal of this rejection is respectfully requested.

5. Favorable reconsideration of this application is respectfully requested as it is believed that all outstanding issues have been addressed herein and, further, that claims 1-20 are in condition for allowance, early notification of which is earnestly solicited. Should there be any questions or matters whose resolution may be advanced by

a telephone call, the examiner is cordially invited to contact applicants' undersigned attorney at his number listed below.

6. The Commissioner is hereby authorized to charge payment of any additional filing fees required under 37 CFR 1.16 and any patent application processing fees under 37 CFR 1.17, which are associated with this communication, or credit any overpayment to Deposit Account No. 50-2061.

Respectfully submitted,



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